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THIS IS UNEVALUATED INFORMATION

Shanghai-Canton Railway Route

1. In May 1952 there were Chinese Communist troops in each railroad station between Shanghai and Canton, whose duty was to maintain order at these stations. They were assisted by the local militia. At the larger stations between Shanghai and Canton such as Ch'angsha (112-59, 28-12), Hengyang (112-35, 26-56), and Ch'uchiang (113-33, 24-50), where the trains stopped longer than at smaller stations, Chinese Communist air force personnel and occasionally Soviet personnel could be seen loitering. On one occasion a traveller along this route saw 23 male and 5 female Chinese Communist air force personnel at the Hengyang station. At the Canton station, which was heavily guarded, he saw many military trains loaded with small wooden boxes marked "handle with care".
2. When a train passed over a bridge along the rail line between Shanghai and Canton, Chinese Communist cadre members explained over a loud speaker system the importance of bridges for good transportation. In each car one soldier stood at the entrance, another watched the activities of the passengers, and the toilets were closed. The window blinds were not closed as was the former custom, but few people looked outside.

Security Conditions in Shanghai

3. In April and May 1952 the Shanghai Public Security Bureau took strong measures to control the census of the city. Each twenty families were placed under the control of a public security bureau policeman who maintained daily contact with the families. He spent the major part of his day visiting individual families to collect biographical data and to indoctrinate the families with Communist political principles. He usually did this by chatting casually with members of the families. In this way he attempted to induce these persons to reveal information regarding their fellow citizens. The policeman spent a small part of each day in his public security section discussing his work with other policemen.

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4. Each Shanghai family having one or more members living abroad was labeled by the police as a special family by means of a red tag and was watched more closely than an ordinary family. If a person residing abroad wished to return to his family in Shanghai, the head of the family in Shanghai had to explain to the public security bureau the reasons for the return. If the explanation seemed satisfactory to the public security bureau, the person who wished to return home had to secure two persons with the rank of "chief of lane" to guarantee that he was a law-abiding citizen. Following this, the public security policemen made a number of investigations, and if they proved satisfactory, the public security bureau granted an entrance permit to the applicant. Upon his return to Shanghai, the public security bureau made a preliminary investigation of him. If this investigation proved satisfactory, the public security bureau authorized the removal of the red tag from the record of the returnee's family and classified him as a temporary resident, noting his name, age, occupation, and other biographical information. He remained a temporary resident for six months, was kept under strict surveillance, and restricted to Shanghai.
5. Former government workers were classified as reactionaries and most of them had been liquidated. Their dependents were either in exile or were under strict surveillance. Very little was heard about the liquidation of the reactionaries.

#### Economic and Political Conditions in Shanghai

6. In April and May in Shanghai, Chinese Communist cadre members usually tried to find jobs for the dependents of a member of the army. The jobs obtained were usually the lowest and poorest kind. Chinese Communist women cadre members and yangko dancers visited dependents to help them with the housework, to take photographs of the family for propaganda purposes, and tell them patriotic stories to impress them that the members of their families in the army were national heroes.
7. Before the five-antis movement started in Shanghai, the Chinese Communists urged workers to cooperate with the government in exposing the faults of the capitalists, promising the workers that they would be cared for later. When a number of stores and factories were closed during the five antis movement, some workers lost their jobs. Instead of giving these unemployed workers the protection they promised, the Communists forced them either to join the army or migrate to the border area to do agricultural work. Those who joined the army were concentrated at Pootung for training. The training consisted of regular military training and a number of political indoctrination courses consisting mainly of anti-America propaganda. The propaganda stressed that the USSR and other peace-loving nations were considering the possibility of accepting the peace offer of the American imperialists. However, to stop the intrigue of the American imperialists, the Chinese were still carrying on the anti-America and aid-Korea program. When training was completed, the trainees were sent to the Korean front.
8. In April and May the living conditions of Chinese Communist cadre members and employees of Chinese Communist-operated companies were much better than those of the common people. The latter were obliged to change their foreign currency<sup>1</sup> into JMP to buy their daily rice supply; consequently, thousands of people were standing in line each day at the entrance of the People's Bank and the Bank of Shanghai.
9. In April and May the ordinary Chinese approved of the Chinese Communist methods of administering transportation because the traffic was handled better and there were fewer accidents. The sanitation system was handled better, the streets were cleaner, medical cadre members visited each home to explain sanitation methods, inoculations were given free of charge, and pregnant women were placed under medical care. They were pleased that there was very little fluctuation in commodity prices.

#### Soviets in Shanghai

10. In April and May Soviets in Shanghai were leading an exceptionally good life. When they went out to have a good time or to buy expensive goods, they were usually accompanied by Chinese Communist cadre members. This was their only contact with Chinese Communists. The ordinary people were afraid of the Soviets. However, the Soviets were not as arrogant as formerly.<sup>2</sup>

1.  Comment. As received. Possibly gold bars and silver coins were

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meant instead of foreign currency.

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2. [REDACTED] Comment. [REDACTED] which covers general conditions in Shanghai during May and June 1952, contains additional information on purge activities and economic conditions. The Soviets were the only persons who were living well in Shanghai during May 1952.

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